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STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer
2. FROM: Department of Human Services

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:
USPS PC postal services

4. Name of Vendor: Stamps.com
Address: 12959 Coral Tree Place
Los Angeles, CA 90066

5. Price:
\$100,000 estimated

6. Term of Contract: From: 07/01/10

To: 6/30/11 K
ongoing

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Stamps.com is the authorized partner (see attached) of the United States Postal Service (USPS) that provide PC Postage that enables postal customers to prints sheets of individual "netstamps" for use instead of having to lease and maintain postage machines and meters. Stamps.com as an authorized partner of USPS provides an entire package of postal solutions (see executive summary attached) and will enable the Department to realize not only savings from not having to lease and maintain machines, but also from postage costs discounts of approximately 10% on priority mail, and 5% on express and international mail only available through the use of PC postage. Stamps.com will provide free scales to all sites. Other cost savings will result from no machine calibration fees, postal rate change fees, and reset/reload fees, etc..

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
Stamps.com is an authorized partner of the United States Postal Service and regulated by federal postal regulations.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The Stamps.com procurement will be a department procurement and centralized in the Fiscal Management Office. Stamps.com will work with our IT staff office to provide a secure download to the department's server of the software which will then be issued as offices are authorized to use the service. Stamps.com also provides access to centralized, web-based administrative tools with financial management mechanisms and reporting.


REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

| 12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract: | | |
|---|---------------------------|---|
| Name | Position | Involvement in Process |
| Lillian B. Koller | Director | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration |
| Ed Igarashi | Fiscal Management Officer | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Susy Kawamoto | PSS IV | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Division Administrators | | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration |
| Staff Officers | | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration |
| | | <input type="checkbox"/> Approval <input type="checkbox"/> Administration |

| | |
|--------------------------|---|
| 13. Direct inquiries to: | Department: Human Services Contact Name: Susy Kawamoto Phone Number: 586-4864 Fax Number: 586-4860 |
|--------------------------|---|

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

| | |
|---|----------|
|  | 05/17/10 |
| Department Head | Date |

| Reserved for SPO Use Only | |
|--|--|
| 15. Date Notice Posted _____ | |
| <p>The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:</p> <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p> | |
| <p>Chief Procurement Officer's comments:</p> <p style="margin-top: 20px;">This approval is for the period July 1, 2010 to June 30, 2011. Prior to requesting any future exemption the department shall conduct research to determine if the subject services may be procured pursuant to HRS Chapter 103D amongst the authorized USPS vendors. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. Department is reminded that this contract award is required to be posted on the Procurement Reporting System.</p> | |

16. ☒ **APPROVED** ☐ **DISAPPROVED** ☐ **NO ACTION REQUIRED**

| | |
|--|----------|
|  | 7/1/2010 |
| Chief Procurement Officer | Date |